

Exhibit 1

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Government Reform
Contact: 202-225-2577

October 6, 2005 Letter to The Honorable James Kunder, Assistant Administrator, Asia and Near East Bureau, United States Agency for International Development

Washington, Oct 6 -

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The Honorable James Kunder
 Assistant Administrator, Asia and Near East Bureau
 United States Agency for International Development
 Ronald Reagan Building
 1300 Pennsylvania Avenue, N.W.
 Washington, D.C. 20523-1000

Dear Mr. Kunder:

Since October 22, 2004, the Subcommittee on Criminal Justice, Drug Policy, and Human Resources has been seeking information from the Administration -- with limited success -- on the management of grants awarded under the authority of the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 [Public Law 108-25]. As you know, Public Law 108-25 prohibits funds from being used "to promote or advocate the legalization or practice of prostitution or sex trafficking," and organizations seeking federal funding for HIV/AIDS work must have a policy "explicitly opposing prostitution and sex trafficking."

On September 15 of this year, you testified before a subcommittee of the Senate Foreign Relations Committee that in India, "Over the next two years USAID will finance skills training and job placement services for thousands of vulnerable women and youth."

Do placement services include those of sex traffickers?

Just the week before your testimony, USAID funding was finally cut off from a non-governmental organization called Sampada Grameen Mahila Sanstha [SANGRAM] that had re trafficked women back into a brothel after they had been rescued by a State Department-financed group.

I note with dismay that USAID funding for SANGRAM was terminated only after a concentrated effort by the State Department's Trafficking in Persons office. According to the Hindustan Times, as many as five organizations in India are under investigation and could lose USAID funding for violating U.S. policies on trafficking.

According to an unclassified State Department memorandum, Restore International, an anti-trafficking non-governmental organization [NGO] funded by the State Department, was "confronted by a USAID-funded NGO [SANGRAM] while the former attempted to rescue and provide long-term care for child victims of sex trafficking. The confrontation led to the release of 17 minor girls -- victims of trafficking -- into the hands of traffickers and trafficking accomplices." According to this memorandum, SANGRAM "allowed a brothel keeper into a shelter to pressure the girls not to cooperate with counselors. The girls are now back in the brothels, being subjected to rape for profit."

That SANGRAM was a high-risk candidate for not complying with Public Law 108-25 and National Security Presidential Directive [NSPD]-22 should not have been a surprise to USAID. SANGRAM was a cosigner, along with many other high-risk candidates, of a May 18, 2005 letter to President Bush opposing the anti-prostitution pledge. USAID Administrator Andrew Natsios is listed in the letter as having received a copy. Additionally, posted on a USAID-sponsored website, a five-year old report from SANGRAM clearly states,

We believe that when involuntary initiation into prostitution occurs, a process of socialization within the institution of prostitution exists, whereby the involuntary nature of the business changes increasingly into one of active acceptance, not necessarily with resignation. This is not a coercive process.

I agree with President Bush that "It takes a special kind of depravity to exploit and hurt the most vulnerable members of society. Human traffickers rob children of their innocence; they expose them to the worst of life before they have seen much of life. Traffickers tear families apart. They treat their victims as nothing more than goods and commodities for sale to the highest bidder." It is inconceivable that an organization like SANGRAM could have received funding from the American taxpayer had USAID put in place an adequate management system to carry out Public Law 108-25 and President Bush's NSPD-22.

The outrages perpetrated by the USAID-financed SANGRAM lead me to conclude that the ambiguous, incomplete, and overdue responses the Subcommittee has received from USAID with respect to compliance with Public Law 108-25 over the last year are due to USAID's weak management systems and lack of personal accountability. For example, in response to a July 15, 2005 inquiry (attached) concerning compliance with Public Law 108-25 by grantees, the State Department and the Department of Health and Human Services appear to have completed their response in a full and forthright manner. But what was submitted by USAID was grossly inadequate.

I have clearly and repeatedly asked for compliance documents relating to Public Law 108-25 from USAID. With this letter, I once again request those compliance documents, but now I am asking for them directly from you for programs that operate in your region of responsibility.

Do not fob off this responsibility to the USAID Bureau of Global Health. Do not blame our embassies, do not blame the host governments, and do not blame the victims. You are responsible for producing the requested documents, and you will be held accountable.

The Subcommittee staff has asked that you brief them on your management system to comply with Public Law 108-25. I reiterate that request. I ask that you personally oversee the production and transmission of all relevant documents from your region requested on July 15, 2005.

There is a tragic irony in the fact that this Administration seeks to elevate women in the United States to some of the most important positions in the country, such as the President's cabinet and the Supreme Court of the United States; yet, USAID has funded groups outside the United States that promote the ultimate degradation of women. The lack of diligence by USAID in screening out pro-prostitution grantee candidates operating in lesser developed countries "has a whiff of sexism and a whiff of elitism." We do not tolerate such exploitation of women within our borders; I am astounded that our government would finance the trafficking infrastructure outside of them.

If there are any questions, please contact Malia Holst, clerk of the Subcommittee, at 202-225-2577.

Sincerely,

Mark E. Souder
Chairman
Subcommittee on Criminal Justice,
Drug Policy and Human Resources

cc: The Honorable Condoleezza Rice